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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re:

PG&E CORPORATION,

- and -

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG&E Corporation
- ☐ Affects Pacific Gas and Electric Company
- ☒ Affects both Debtors

** All papers shall be filed in the Lead Case,
No. 19-30088 (DM).*

Bankruptcy Case
No. 19-30088 (DM)

Chapter 11
(Lead Case)
(Jointly Administered)

**FIFTH INTERIM AND FINAL
APPLICATION OF LINCOLN
PARTNERS ADVISORS LLC FOR
ALLOWANCE AND PAYMENT OF
COMPENSATION AND
REIMBURSEMENT OF EXPENSES
FOR (1) THE INTERIM PERIOD
JUNE 1, 2020 THROUGH JUNE 30,
2020 AND (2) THE FINAL PERIOD
FROM MARCH 1, 2019 THROUGH
JUNE 30, 2020**

Objection Date: September 16, 2020

To: The Notice Parties

Name of Applicant: Lincoln Partners Advisors LLC

Authorized to Provide Professional Services to: Financial Advisor to the Official Committee
of Tort Claimants

Date of Retention: March 1, 2019

Petition Date: January 29, 2019

Interim period for which compensation and
reimbursement are sought: June 1, 2020 through June 30, 2020

Interim amount of compensation and
reimbursement are sought: \$1,621,947.75 (100%)

Interim amount of expense reimbursement
sought as actual, reasonable, and necessary: \$99.90

1 Final period for which compensation and March 1, 2019 through June 30, 2020
2 reimbursement are sought:

3 Final amount of compensation and \$22,923,197.63
4 reimbursement are sought:

5 Final amount of expense reimbursement sought \$289,667.63
6 as actual, reasonable, and necessary:
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SUMMARY OF FIFTH INTERIM AND FINAL FEE APPLICATION

Date Filed	Period Covered	Total Requested Compensation and Expenses for Period Covered		Total Amount Paid to Date ¹		Holdback Fees, Unpaid Fees and Expenses Requested
		Fees	Expenses	Fees	Expenses	Fees
1 st Interim Fee Application (DE 4633)	3/1/19-5/31/19	\$3,005,418.88	\$82,943.80	\$2,905,418.88	\$57,943.80	\$ -
2 nd Interim Fee Application (DE 4724)	6/1/19-9/30/19	\$4,867,813.00	\$98,444.49	\$3,923,505.65	\$69,189.24	\$743,562.60
3 rd Interim Fee Application (DE 6313)	10/1/19-12/31/19	\$4,661,428.50	\$66,894.98	\$3,747,347.32	\$48,690.46	\$837,285.70
4 th Interim Fee Application (DE 8402)	1/1/20-5/31/20	\$8,766,589.50	\$41,284.46	\$2,533,759.23	\$30,976.96	\$6,018,137.77
16 th Monthly Statement 8/10/20 (DE 8727)	6/1/20-6/30/20	\$1,621,947.75	\$99.90	\$ -	\$ -	\$1,622,047.65
Total		\$22,923,197.63	\$289,667.63	\$13,110,031.08	\$206,800.46	\$9,221,033.72

Objections to Interim Fee Applications/Monthly Fee Statements: There have been no objections to the First, Second, Third or Fourth Interim Fee Applications, and the objection deadline for the Sixteenth Monthly Fee Statement for June 2020 is August 31, 2020.

¹ Amounts paid on account of the First, Second, Third, and Fourth Interim Fee Applications reflect reductions in fees and expenses agreed to between Applicant and the Fee Examiner.

**SUMMARY OF HOURS INCURRED BY PROFESSIONAL DURING
THE INTERIM APPLICATION PERIOD**

Professional	Position	Billing Rate	Total Hours	Total Fees
Brent Williams	Managing Director	\$ 1,195	265.6	\$ 317,392.00
Alex Stevenson	Managing Director	1,195	71.5	85,442.50
Brendan Murphy	Managing Director	1,095	249.9	273,640.50
Sherman Guillema	Director	895	65.4	58,533.00
Peter Gnatowski	Director	895	299.5	268,052.50
Matt Merkel	Vice President	795	289.8	230,391.00
Erik Ellingson	Associate	695	183.8	127,741.00
Naeem Muscatwalla	Associate	695	63.4	44,063.00
Jeremy Mau	Associate	695	23.8	16,506.25
Riley Jacobs	Analyst	395	157.0	62,015.00
Alex Gebert	Analyst	395	200.2	79,079.00
Zack Stone	Analyst	395	86.5	34,167.50
Aadil Khan	Analyst	395	36.7	14,496.50
Charles Hallett	Analyst	395	9.7	3,831.50
Thomas Steve	Analyst	395	16.7	6,596.50
Total				\$ 1,621,947.75

**SUMMARY OF HOURS INCURRED BY PROFESSIONAL DURING
THE FINAL APPLICATION PERIOD**

Professional	Position	Billing Rate	Total Hours	Total Fees
Brent Williams	Managing Director	\$ 1,195	3,735.5	\$ 4,463,862.75
Alex Stevenson	Managing Director	1,195	1,427.3	1,705,623.50
Brendan Murphy	Managing Director	1,095	4,005.9	4,386,460.50
Sherman Guillema	Director	895	1,126.8	1,008,486.00
Peter Gnatowski(1)	Vice President / Director	838	4,034.1	3,380,239.50
Carl Comstock	Vice President	695	242.1	168,259.50
Matt Merkel(1)	Associate / Vice President	740	3,684.6	2,727,192.25
Naeem Muscatwalla(1)	Analyst / Associate	561	1,333.7	748,416.75
Riley Jacobs	Analyst	395	3,217.7	1,270,991.50
Alex Gebert	Analyst	395	2,881.2	1,138,074.00
Rikki Maynard	Legal and Professional Support	250	38.3	9,575.00
Troy Peters	General Counsel (In-House)	1,195	10.1	12,069.50
Jane Su	Professional Support	250	25.3	6,325.00
Jackie Hurley	Professional Support	250	16.5	4,125.00
Erik Ellingson	Associate	695	1,451.6	1,008,862.00
Zack Stone	Analyst	395	1,591.9	628,800.50
Max Golembo	Associate	695	128.8	89,516.00
Thomas Steve	Analyst	395	142.8	56,406.00
Charles Hallett	Analyst	395	138.6	54,747.00
Aadil Khan	Analyst	395	167.9	66,320.50
Jeremy Mau	Associate	695	126.6	87,952.25
Jacob Kinstler	Associate	695	17.4	12,093.00
John Rutkowski	Analyst	395	37.5	14,812.50
Subtotal			29,582.0	\$ 23,049,210.50
Less: 50% Discount for Non-Working Travel Time				(126,012.88)
Grand Total				\$ 22,923,197.63

(1) Reflects a blended rate due to promotion during the term of the engagement.

**SUMMARY OF HOURS INCURRED BY PROJECT CATEGORY DURING
THE INTERIM APPLICATION PERIOD**

Task Code	Task Description	Total Hours	Total Fees
3	Financial Analysis (Requested by Counsel, or Otherwise)	181.8	\$ 143,121.00
4	13-Week Cash Flow / MOR / Liquidity Analysis	1.5	\$ 942.50
7	Debtor Professionals - Diligence / Meetings / Calls	39.4	\$ 34,663.00
9	Other Professionals / Interested Parties - Diligence / Meetings / Calls	15.0	\$ 17,365.00
10	Tort Claimants (Counsel/FA) - Diligence / Meetings / Calls	78.3	\$ 83,268.50
12	Committee Related Matters - Diligence / Meetings / Calls	40.5	\$ 41,507.50
13	Bankruptcy Filings, Motions and Other Document Review	63.3	\$ 47,203.50
17	Asset Sale(s), Strategic Alternatives, and Related Analysis	127.9	\$ 85,480.50
18	Analysis of New Debt or Equity Capital	707.7	\$ 551,916.75
19	Analysis of Pro-Forma Capital Structure, and Related Analysis	220.5	\$ 194,467.50
20	Benchmarking and Related Analysis	99.3	\$ 67,023.50
21	Term Sheets, Plan, and Disclosure Statement Analysis	104.6	\$ 91,027.00
23	Deposition(s), Testimony, Court Hearing(s), and Related Preparation / Attendance	143.3	\$ 149,813.50
25	Regulatory and Legislative Matters, and Related Financial Analysis	10.0	\$ 6,650.00
27	Project Administration	35.4	\$ 28,873.00
31	Fee Application Preparation	151.0	\$ 78,625.00
Grand Total		2,019.5	\$ 1,621,947.75

**SUMMARY OF HOURS INCURRED BY PROJECT CATEGORY DURING
THE FINAL APPLICATION PERIOD**

Task Code	Task Description	Total Hours	Total Fees
1	DIP Financing and Related Analysis	99.2	\$ 88,904.00
2	First / Second Day Motions and SOFAs	29.2	25,214.00
3	Financial Analysis (Requested by Counsel, or Otherwise)	3,324.8	2,429,411.25
4	13-Week Cash Flow / MOR / Liquidity Analysis	476.9	319,160.75
5	Due Diligence of Debtor's Assets and Liabilities	728.0	530,340.00
6	Due Diligence of Wildfire Safety Plan and Related Analysis	1,115.3	888,123.50
7	Debtor Professionals - Diligence / Meetings / Calls	426.6	383,227.00
8	UCC Professionals - Diligence / Meetings / Calls	37.6	40,222.00
9	Other Professionals / Interested Parties - Diligence / Meetings / Calls	369.7	419,911.50
10	Tort Claimants (Counsel/FA) - Diligence / Meetings / Calls	1,119.9	1,198,870.50
11	Assist Counsel in Responses / Objections to Bankruptcy Court Motions	432.7	368,716.50
12	Committee Related Matters - Diligence / Meetings / Calls	1,635.4	1,579,208.25
13	Bankruptcy Filings, Motions and Other Document Review	1,427.7	957,361.50
14	Review of Executory Contracts and Related Analysis	192.9	129,635.50
15	Review of Employee-Related Matters, Including Retention Plans	573.8	416,574.00
16	Review of Claims and Related Analysis	904.5	687,817.50
17	Asset Sale(s), Strategic Alternatives, and Related Analysis	742.1	524,179.50
18	Analysis of New Debt or Equity Capital	3,083.5	2,305,342.50
19	Analysis of Pro-Forma Capital Structure, and Related Analysis	1,053.8	831,216.25
20	Benchmarking and Related Analysis	2,338.9	1,430,875.50
21	Term Sheets, Plan, and Disclosure Statement Analysis	3,347.9	2,828,000.50
22	Review of Discovery Documents and Deposition Preparation (Witnesses)	618.7	424,656.50
23	Deposition(s), Testimony, Court Hearing(s), and Related Preparation / Attendance	727.1	692,174.50
24	Business Plan	599.0	494,305.00
25	Regulatory and Legislative Matters, and Related Financial Analysis	1,511.4	1,133,548.25
26	Travel Time - Non Working Travel (Capped)	338.9	378,155.75
27	Project Administration	699.1	551,023.00
28	Professional Retention	77.3	59,083.50
	Time and Expenses Tracking	-	-
	Other/Miscellaneous	23.9	6,244.50
	Fee Application Preparation	1,290.3	693,828.50
	Mediation Preparation / Attendance	236.2	233,879.00
Subtotal		29,582.0	\$ 23,049,210.50
Less: 50% Discount for Non-Working Travel Time			(126,012.88)
Grand Total			\$ 22,923,197.63

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**SUMMARY OF EXPENSES INCURRED DURING
THE INTERIM APPLICATION PERIOD**

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Expense Type	Amount
Internet/Online Fees	\$99.90
Total	\$99.90

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**SUMMARY OF EXPENSES INCURRED DURING
THE FINAL APPLICATION PERIOD**

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Expense Type	Amount
Airfare	\$99,551.19
Car Rental	842.1
Data Processing / Materials For Committee	364.8
Ground Transportation (In-Town - Taxi/Uber/Car Service)	15,961.5
Ground Transportation (Out-of-Town - Taxi/Uber/Car Service)	14,346.0
Hotel Stay (Traveling)	72,924.5
Internet/Online Fees	1,930.7
Meals - In Town Only	7,753.0
Meals - Out-of-Town Travel Only	16,643.9
Other / Miscellaneous	1,805.5
Parking	3,184.2
Printing/Photocopying (In-House)	12,197.1
Research (Databases)	36,099.0
Teleconferencing	4,584.7
Transcripts	1,479.5
Total	\$289,667.63

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1 Lincoln Partners Advisors LLC (“**Lincoln**” or the “**Applicant**”), the financial advisor for
2 the Official Committee of Tort Claimants (the “**TCC**”), representing the largest group of
3 stakeholders in the jointly administered bankruptcy cases (the “**Cases**”) of PG&E Corporation and
4 Pacific Gas and Electric Company (the “**Debtors**” or “**Reorganized Debtors**”), hereby submits its
5 *Fifth Interim and Final Application of Lincoln Partners Advisors LLC for Allowance and Payment*
6 *of Compensation and Reimbursement of Expenses for (1) the Interim Period June 1, 2020 through*
7 *June 30, 2020 (the “**Interim Application Period**”) and (2) the Final Period from March 1, 2019*
8 *through June 30, 2020 (the “**Final Application Period**” and together with the Interim Application*
9 *Period, the “**Application Period**”) (the “**Fee Application**”). The Applicant seeks interim approval*
10 *of compensation and reimbursement of expenses totaling \$1,622,047.65, which sum represents*
11 *compensation for professional services rendered in the amount of \$1,621,947.75 and*
12 *reimbursement for expenses incurred in the amount of \$99.90, and final approval of \$23,212,865.26*
13 *(\$22,537,865.26 net of agreed upon Fee Examiner reductions), which sum represents compensation*
14 *for professional services rendered in the amount of \$22,923,197.63 (\$22,330,964.90 net of agreed*
15 *upon Fee Examiner reductions) and reimbursement for expenses incurred in the amount of*
16 *\$289,667.63 (\$206,900.26 net of agreed upon Fee Examiner reductions). The Applicant is seeking*
17 *entry of an order pursuant to sections 330, 331, and 1103 of title 11, United States Code (the*
18 *“**Bankruptcy Code**”); Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy***
19 ***Rules**”); the Local Rules for the United States Bankruptcy Court for the Northern District of*
20 *California (the “**Local Rules**”); the U.S. Trustee Guidelines for Reviewing Applications for*
21 *Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 by Attorneys in Larger*
22 *Chapter 11 Cases, effective November 1, 2013 (the “**UST Guidelines**”); the Guidelines for*
23 *Compensation and Expense Reimbursement of Professional and Trustees, promulgated pursuant to*
24 *Local Rule 9029-1, governing the narrative portion of fee applications, effective February 19, 2014*
25 *(the “**Narrative Guidelines**”); the Order Pursuant to 11 U.S.C §§ 331 and 105(a) and Fed. R.*
26 *Bankr. P. 2016 for Authority to Establish Procedures for Interim Compensation and*
27 *Reimbursement of Expenses of Professionals, entered on February 27, 2019 (the “**Interim***
28

1 **Compensation Order”**); and the revised Fee Examiner Protocol filed on October 24, 2019 (the
2 **“Revised Protocol”** and collectively, the **“Guidelines”**) [Docket No. 4473].

3 This Application is based upon the contents hereof, together with the exhibits; the
4 certification of Brent C. Williams filed concurrently herewith; the pleadings, papers, and records
5 on file in the Cases; and any evidence or argument that the Court may entertain at the time of the
6 hearing on the Application.

7 Pursuant to the Narrative Guidelines, a cover letter enclosing this Application is being sent
8 to the Chair of the TCC concurrently. The letter invites the Chair to discuss with the Applicant
9 and/or the Office of the United States Trustee any objections, concerns, or questions the Chair may
10 have regarding the requested compensation and reimbursement set forth in the Application. A copy
11 of the transmittal letter is attached hereto as **Exhibit A**.

12 This Fee Application summarizes the services rendered by Lincoln on behalf of the TCC
13 during the Application Period. A breakdown of the hours and fees by professional for the Interim
14 Application Period is attached hereto as **Exhibit B**. A breakdown of the hours and fees by task
15 code for the Interim Application Period is attached hereto as **Exhibit C**. A breakdown of expenses
16 by expense type for the Interim Application Period is attached hereto as **Exhibit D**. A detailed
17 copy of the time records by professional and by task code for the Interim Application Period is
18 attached hereto as **Exhibit E**. A detailed copy of the expense records by professional and expense
19 type for the Interim Application Period is attached here to as **Exhibit F**. Additionally, copies of
20 Applicant’s invoices detailing the services rendered during the Final Application Period can be
21 found on the Court’s docket at Doc. Nos. 2722, 3160, 3734, 3938, 4211, 4596, 4633, 4719, 4724,
22 5110, 5412, 6062, 6313, 6527, 6933, 7910, 8344, 8369, 8402, and 8727.

23 **TERMS AND CONDITIONS OF EMPLOYMENT**

24 1. Lincoln is compensated on an hourly fee basis, plus reimbursement of actual and
25 necessary expenses incurred. For further information regarding the terms and conditions of
26 Lincoln’s retention, please refer to the Retention Order (defined below).
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RELIEF REQUESTED AND BASIS FOR RELIEF

6. This Fee Application is Lincoln's fifth interim and final request for allowance and payment of fees and expenses as financial advisor to the TCC.

7. Pursuant to Bankruptcy Code §§ 330 and 331, Lincoln respectfully requests entry of an order, on a final basis, allowing and approving \$23,212,865.26 (\$22,537,865.26 net of agreed upon Fee Examiner reductions), which sum represents compensation for professional services rendered in the amount of \$22,923,197.63 (\$22,330,964.90 net of agreed upon Fee Examiner reductions) and reimbursement for expenses incurred in the amount of \$289,667.63 (\$206,900.26 net of agreed upon Fee Examiner reductions). The services and expenses for which compensation is sought herein were rendered for and on behalf of the TCC. Lincoln respectfully submits that the nature of the services has been necessary and beneficial to the TCC in maximizing their recoveries.

8. Lincoln's retention and corresponding engagement scope have been to serve as the financial advisor to the TCC during the pendency of the Cases. While the Official Committee of Unsecured Creditors ("UCC") retained FTI Consulting ("FTI") and Centerview Partners ("Centerview") to serve two separate financial advisory roles, the TCC's focus on efficiency and cost-effectiveness has required Lincoln to perform both functions (e.g. investment banker and financial advisor to the TCC). The TCC and its counsel Baker & Hostetler LLP ("Baker" or "Counsel") required Lincoln to dedicate senior resources to many specific assignments and case issues in these matters. This has also been reflected in the professionals involved and hours worked.

9. That said, in an effort to streamline and control professional fees and expenses where possible, Lincoln endeavored to minimize the expenditure of time by its senior members and to delegate responsibilities to junior members, associates, analysts, and other employees as appropriate.

10. Further, Lincoln has made every effort to ensure that this Fee Application complies with the Guidelines and to avoid unnecessary duplication of effort by and among its team members, as well as with other retained professionals in these Cases. Lincoln has supplied the Fee Examiner and the UST with Lincoln's monthly fee statements in an electronic format (Excel) Lincoln believes is acceptable to the Fee Examiner and the UST. Pursuant to Bankruptcy Code § 504, Lincoln has

1 no understanding, agreement, or arrangement of any kind to divide with or pay to anyone any fees
2 that may be awarded to Lincoln in the Cases, other than as may be shared among the members of
3 Lincoln.

4 **SUMMARY OF PROFESSIONAL SERVICES RENDERED**

5 11. The Debtors' Cases are among the largest and most complex cases in history. There
6 are many issues and considerations impacting the TCC and tort claimants' potential recoveries. The
7 services rendered by Lincoln during the Interim Application Period include, but are not limited to,
8 the following project billing categories. The specific tasks, the number of hours devoted, and the
9 amounts charged within each billing category are set forth below. Summary descriptions, by project
10 category, of the services rendered by Lincoln during the First, Second, Third, and Fourth Interim
11 Periods can be found on the docket at Doc Nos. 4633, 4724, 6313 and 8402, respectively.

12 a. Financial Analysis (Requested by Counsel, or Otherwise) (003):
13 Throughout the Interim Application Period, Lincoln spent significant time evaluating the Debtors'
14 financial performance and business operations, including reviewing historical results, operating
15 metrics, earnings releases, outstanding assets and liabilities, and financial forecasts. Lincoln
16 reviewed and analyzed information provided by the Debtors; public SEC filings, such as the
17 Debtors' quarterly and annual financial statements; investor presentations; and other public
18 sources. Lincoln created various models and analyses, including an operating financial model, a
19 waterfall recovery model, and analyses related to the Debtors' historical and projected financial
20 results and capital expenditures, pro forma post-petition obligations and other financial and
21 operational analyses. Lincoln researched various tax related matters, including the treatment of the
22 Debtors' tax attributes and net operating losses ("NOL"), the preservation of the Debtors' pre- and
23 post-petition NOLs, and tax monetization mechanisms. Lincoln performed valuation recovery
24 analysis and reviewed the allocation of equity and recovery to various parties under different
25 scenarios. Lincoln analyzed the formulation of Normalized Expected Net Income ("NENI"),
26 including the inputs to NENI and the impact of changes to these inputs on the NENI formulation.
27 Lincoln reviewed risk factors and the potential financial and operational impacts of COVID-19 on
28 the Debtors' operations, financial results, and liquidity. Additionally, Lincoln performed in-depth

1 research into registration rights agreements, lock-up terms, and other topics related to contractual
2 rights and obligations of shareholders involved in primary and secondary equity offerings. This
3 assisted Counsel and the TCC in understanding the Debtors' financial position, outstanding claims,
4 assets and liabilities, and potential recoveries to tort claimants across various scenarios and
5 assumptions.

6 The total hours and amount charged by Lincoln to this matter during the Interim Application
7 Period represents **181.8 hours** and **\$143,121.00** in fees.

8 b. 13-Week Cash Flow / MOR / Liquidity Analysis (004): This category
9 encompasses services rendered related to the Debtors' liquidity, cash flow, and monthly operating
10 reports. Lincoln reviewed the Debtors' monthly operating results to assess and evaluate the
11 Debtors' monthly financial performance, account balances of certain assets and liabilities, and
12 payments on pre-petition obligations, among others. Lincoln advised Counsel and the TCC
13 regarding the Debtors' liquidity and cash flow position, actual versus forecasted results, and future
14 projections.

15 The total hours and amount charged by Lincoln to this matter during the Interim Application
16 Period represents **1.5 hours** and **\$942.50** in fees.

17 c. Debtor Professionals - Diligence / Meetings / Calls (007): During the
18 Interim Application Period, Lincoln held calls and video-conferenced with the Debtors and the
19 Debtors' advisors, including Alix Partners and Lazard Freres & Co., to discuss and negotiate
20 matters related to the Cases including business diligence, liquidity forecasts, financial projections,
21 exit financing, securitization application, monthly operating reports, financing commitments, and
22 other filed motions and matters.

23 The total hours and amount charged by Lincoln to this matter during the Interim Application
24 Period represents **39.4 hours** are **\$34,663.00** in fees.

25 d. Other Professionals / Interested Parties - Diligence / Meetings / Calls (009):
26 During the Interim Application Period, Lincoln held confidential calls with the other professionals
27 and interested parties to the Cases to discuss case-related matters and potential joint interests.
28

1 Lincoln spent time preparing for and communicating via calls and emails with these professionals
2 and interested parties.

3 The total hours and amount charged by Lincoln to this matter during the Interim Application
4 Period represents **15.0 hours** and **\$17,365.00** in fees.

5 e. Tort Claimants (Counsel/FA) - Diligence / Meetings / Calls (010): Time
6 spent in this category is related to correspondence with Baker regarding strategy, approach,
7 recommendations, and financial analyses of various filings by the Debtors and case-specific issues,
8 including many of the topics and issues addressed in this Fee Application. Lincoln also coordinated
9 with Baker on TCC discussion topics for weekly meetings and related presentation materials.

10 The total hours and amount charged by Lincoln to this matter during the Interim Application
11 Period represents **78.3 hours** and **\$83,268.50** in fees.

12 f. Committee Related Matters - Diligence / Meetings / Calls (012): This task
13 code encompassed substantial time for services rendered to the TCC including preparation of
14 presentations, attending regularly scheduled (typically weekly) committee meetings, and
15 participation in other regular communications with individual TCC members and sub-committees
16 outside of the scheduled weekly meetings. Lincoln assisted the TCC with evaluating the numerous
17 issues and topics covered in this Fee Application and assessing their potential financial impact to
18 tort claimants and/or their eventual recovery. Lincoln prepared and presented numerous analyses,
19 presentations and recommendations to the TCC on various topics including the Debtors' financial
20 and operational position, waterfall and recovery analysis, treatment of tax attributes, term sheets
21 and proposals, plans of reorganization, equity valuations, strategic alternatives, exit financing,
22 negotiations with the Debtors and interested parties, and regulatory and legislative updates, among
23 many others.

24 The total hours and amount charged by Lincoln to this matter during the Interim Application
25 Period represents **40.5 hours** and **\$41,507.50** in fees.

26 g. Bankruptcy Filings and Document Review (013): During the Interim
27 Application Period, Lincoln reviewed and evaluated various other documents, motions, and filings
28 that are not covered under a specific task code in this Fee Application. Lincoln also regularly

1 reviewed the Debtors' and third-party media coverage to monitor and evaluate developments
2 related to the Cases and the impact, if any, to the tort claimants.

3 One junior Lincoln professional daily reviewed, summarized, and circulated all relevant
4 court dockets internally to ensure the engagement team stayed informed of key filings and case
5 developments in a timely and cost-efficient manner. Additional Lincoln junior professionals daily
6 monitored the Debtors' and third-party media coverage, including news articles from regional and
7 national media outlets, restructuring publications, subscription databases and regulatory websites.
8 A Lincoln professional (junior or senior depending on underlying topic) monitored and analyzed
9 developments, trends, and market sentiment related to the Debtors, regulators, third parties, and
10 tort victims. Similar to the key docket filings, key media coverage articles and/or publications were
11 circulated to the engagement team and, in certain instances, Counsel and the TCC.

12 The total hours and amount charged by Lincoln to this matter during the Interim Application
13 Period represents **63.3 hours** and **\$47,203.50** in fees.

14 h. Asset Sale(s), Strategic Alternatives, and Related Analysis (017): Time
15 billed to this category relates to evaluating various strategic alternatives available to the Debtors
16 including potential sale(s) of core and non-core assets, including the Debtors' comprehensive real
17 estate portfolio and its headquarters in San Francisco, California. In reviewing the potential sale(s)
18 of assets, Lincoln considered the nature of the Debtors asset base, comparable market transactions,
19 impact to operations from the sale(s), and the estimated recovery value, if any.

20 The total hours and amount charged by Lincoln to this matter during the Interim Application
21 Period represents **127.9 hours** and **\$85,480.50** in fees.

22 i. Analysis of New Debt or Equity Capital (018): Time billed to this category
23 includes analyzing new debt or equity capital financing proposals as part of the Debtors' plan of
24 reorganization. Lincoln analyzed and compared the related debt commitment letters, confident
25 letters, various iterations of equity backstop commitment letters, and proposed securitization
26 transaction in accordance with the respective plan of reorganization. Lincoln reviewed and
27 evaluated the key terms and conditions, termination rights, registration rights, feasibility and the
28 cost of capital, among other terms. Lincoln also researched and analyzed trust mechanisms and

1 trust monetization mechanics. Lincoln analyzed the amount of new equity capital being raised, the
2 number of shares being issued, the share price and the implied equity value per share. Lincoln
3 performed an in-depth evaluation and review of the Debtors' securitization application and other
4 related documents filed with the CPUC. Lincoln advised Counsel and the TCC regarding the debt
5 commitment letters, equity considerations to the tort claimants, confident letters, trust mechanisms,
6 equity backstop commitment letters, and proposed securitization transaction under the proposed
7 plans and the risk factors and potential impact to tort claimants and their recovery.

8 The total hours and amount charged by Lincoln to this matter during the Interim Application
9 Period represents **707.7 hours** and **\$551,916.75** in fees.

10 j. Analysis of Pro-Forma Capital Structure, and Related Analysis (019): Time
11 billed to this category includes analyzing the pro-forma capital structure under the Debtors' plan of
12 reorganization. Lincoln performed financial modeling and analysis of the Debtors' pro-form capital
13 structure and frequently updated the analysis based on changes to the plan funding sources, market
14 conditions, and for other reasons. Lincoln performed in-depth analysis on the build-up to NENI,
15 the inputs to NENI, and the impact NENI has on the implied equity value at plan emergence and to
16 the tort claimants. Lincoln analyzed the pre-petition interest expense, post-petition interest expense,
17 and proposed interest expense under the plan of reorganization. Lincoln also researched and
18 evaluated the expected credit rating for the Debtors upon emergence under various plan scenarios.
19 As part of the illustrative S&P credit rating analysis, Lincoln performed diligence on the business
20 plan assumptions provided by the Debtors, analyzed the Debtors' funds-from-operations-to-debt
21 ratio and other relevant ratios, and reviewed the comparable company S&P Ratings Direct credit
22 rating metrics.

23 Lincoln advised Counsel and the TCC regarding the pro-forma capital structure and outlined
24 the potential impact to tort claimant recoveries. The total hours and amount charged by Lincoln to
25 this matter during the Interim Application Period represents **220.5 hours** and **\$194,467.50** in fees.

26 k. Benchmarking and Related Analysis (020): Time billed to this category
27 includes analyzing the Debtors' business and operating performance relative to competitors and/or
28 other similar companies. Lincoln performed significant research to identify and refine a set of

1 comparable companies with characteristics similar to the Debtors, considering such factors as
2 nature and size of operations, operating history, geographic region, financial performance and
3 regulatory oversight. Using similar characteristics, Lincoln also developed and refined a list of
4 precedent transactions involving companies similar to the Debtors. Lincoln spent significant time
5 analyzing and reviewing public filings and relevant investor presentations of the selected public
6 companies to compile and compare various operating metrics of the Debtors' business, including
7 total operating revenue, rate base and profitability. Lincoln compared these operating metrics to
8 those of the comparable public companies. These comparisons helped Lincoln understand the
9 financial and operational performance of the Debtors relative to comparable companies and the
10 potential impact to its enterprise value and equity value. Lincoln regularly updated the
11 benchmarking analysis to reflect market fluctuations and assist in evaluating the Debtors' potential
12 enterprise value in conjunction with updated proposals and plans of reorganization.

13 Lincoln also reviewed and benchmarked other comparable securities offered under various
14 term sheets and plans of reorganization including bonds and preferred equity instruments. Lincoln
15 frequently analyzed and monitored the capital markets activity, including recent capital raises,
16 interest rate movements, and changes to valuation multiples in order to assess the potential impact
17 on the Debtors' valuation and plan emergence. Lincoln also analyzed the impact that Covid-19 has
18 had on valuations for other comparable utilities and analyzed the potential impact to the equity
19 value for the tort claimants. Lincoln evaluated key terms of the proposed bonds such as principal,
20 term, conditions and coupon, among others. Lincoln also researched and evaluated other
21 bankruptcy precedents for comparable mandatory preferred equity structures and terms, including
22 PIK rates, conversion periods, and discounts for converting to common equity. Lincoln compared
23 the results of the bond and preferred equity analysis to the proposed capital structures in the term
24 sheets and plans of reorganization to assess the reasonableness of the requested securities.

25 The total hours and amount charged by Lincoln to this matter during the Interim Application
26 Period represents **99.3 hours** and **\$67,023.50** in fees.

27 1. Term Sheets, Plan, and Disclosure Statement Analysis (021): Time billed to
28 this category includes devoting significant time to reviewing and evaluating term sheets, proposals,

1 and plans submitted by the Debtors. Lincoln performed various analyses to understand the potential
2 recoveries to tort claimants including, among other things, the total consideration, form of
3 consideration, plan funding, proposed capital structure, total enterprise value, equity value, and
4 overall feasibility of the illustrative plans. Lincoln spent significant time comparing and evaluating
5 the various plans of reorganization including all amendments to term sheets, iterations and the
6 supplemental materials prepared by the Debtors, interested parties and their advisors. Lincoln
7 prepared numerous presentations and recovery and waterfall analyses to assist Counsel and the
8 TCC in evaluating the updated and revised plans and the impact on recoveries to the tort claimants.
9 Lincoln also assisted in analyzing term sheets and proposals to assist Counsel, Lincoln and the TCC
10 in the negotiations with the Debtors and interested parties. Lincoln also reviewed and analyzed the
11 Debtors' plan disclosure statements and the corresponding financial statement projections.

12 The total hours and amount charge by Lincoln to this matter during the Interim Application
13 Period represents **104.6 hours** and **\$91,027.00** in fees.

14 m. Deposition(s), Testimony, Court Hearing(s), and Related Preparation /
15 Attendance (023): Time billed to this category includes preparation and attendance of court
16 hearings – by phone. Attendance at hearings included omnibus hearing(s), confirmation hearing(s),
17 and hearings related to securing plan financing and plan support, among other topics. Preparation
18 included strategy discussions internally and with Counsel; reviewing hearing specific filings
19 including motions, objections, and replies; and reviewing previously prepared work product by
20 Lincoln or other advisors. Lincoln reviewed extensive documentation related to status conferences,
21 court hearings, and confirmation hearings to support Counsel.

22 The total hours and amount charged by Lincoln to this matter during the Interim Application
23 Period represents **143.3 hours** and **\$149,813.50** in fees.

24 n. Regulatory and Legislative Matters, and Related Financial Analysis (025):
25 Time billed to this category includes all regulatory and legislative matters and analyses related to
26 the Cases, including statements and decisions from the CPUC regarding fines, penalties, probations
27 and approvals to plan confirmation. Lincoln reviewed and evaluated the fines, penalties,
28 investigations, and decisions to assess the potential impact that these regulatory and legislative

1 matters may have on the Debtors' current and future operations, NENI, business plan,
2 reorganization efforts, and any potential impact on the recovery to the tort claimants.

3 The total hours and amount charged by Lincoln to this matter during the Interim Application
4 Period represents **10.0 hours** and **\$6,650.00** in fees.

5 o. Project Administration (027): Time billed to this category relates to
6 Lincoln's planning, strategizing, and coordinating of case-related efforts, including the
7 development of work streams, staffing of resources, and internal communication of project
8 allocation(s) to avoid unnecessary duplication of efforts. This code includes establishing and
9 maintaining an internal work site to house the task and time tracking databases, key filings, and
10 various work product prepared for Counsel and the TCC. To coordinate efforts, Lincoln holds a
11 weekly internal meeting to discuss outstanding deliverables, allocate new tasks between team
12 members, and discuss new case developments that may have an impact to the TCC.

13 The total hours and amount charged by Lincoln to this matter during the Interim Application
14 Period represents **35.4 hours** and **\$28,873.00** in fees.

15 p. Fee Application Preparation (031): Time billed to this category consists of
16 communications relating to and preparing monthly and interim fee statements to comply with local
17 and federal rules including reviewing timekeeping records for privileged, confidential, and work
18 product issues; reducing time and expense entries; and working with Counsel to draft the fee
19 application motion.

20 The total hours and amount charged by Baker to this matter during the Interim Application
21 Period represents **151.0 hours** and **\$78,625.00** in fees.

22 CONCLUSION

23 12. Lincoln believes that this Fee Application appropriately sets forth the significant
24 services Lincoln performed on behalf of the TCC and provides this Court, the UST, the Fee
25 Examiner, the Debtors' creditors, and other interested parties with an insightful overview of the
26 scope of services rendered. Thus, Lincoln respectfully submits that the fees and expenses sought
27 herein are reasonable and that the services rendered were necessary, effective, efficient, and
28

1 economical. Accordingly, Lincoln respectfully requests that this Fee Application for allowance of
2 fees and expenses, on a final basis, be granted in all respects.

3 Dated: August 26, 2020

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5 LINCOLN PARTNERS ADVISORS LLC

6 By: /s/ Brent C. Williams

7 Financial Advisor to the Official Committee of Tort
8 Claimants
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1 **CERTIFICATION**

2 I, Brent C. Williams, declare as follows:

3 The following facts are personally known to me, and if called to do so, I could and would
4 competently testify thereto.

5 1. I am a Managing Director and Co-Head of Lincoln's Special Situations Group at
6 Lincoln Partners Advisors LLC ("**Lincoln**"). I submit this certification in support of the *Fifth*
7 *Interim and Final Application of Lincoln Partners Advisors LLC for Allowance and Payment of*
8 *Compensation and Reimbursement of Expenses for (1) the Interim Period June 1, 2020 through*
9 *June 30, 2020 and (2) the Final Period from March 1, 2019 through June 30, 2020* (the "**Fee**
10 **Application**").¹

11 2. I have personally reviewed the information contained in the Fee Application and
12 believe its contents to be true to the best of my knowledge, information and belief.

13 3. The compensation and expense reimbursement sought in this Fee Application, to
14 the best of my knowledge, information and belief, after reasonable inquiry, is in conformity with
15 sections 330, 331, and 1103 of title 11, United States Code; Rule 2016 of the Federal Rules of
16 Bankruptcy Procedure; the Local Rules for the United States Bankruptcy Court for the Northern
17 District of California; the *Order Pursuant to 11 U.S.C §§ 331 and 105(a) and Fed. R. Bankr. P.*
18 *2016 for Authority to Establish Procedures for Interim Compensation and Reimbursement of*
19 *Expenses of Professionals*, entered on February 27, 2019; the *U.S. Trustee Guidelines for*
20 *Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C.*
21 *§ 330 by Attorneys in Larger Chapter 11 Cases*, effective November 1, 2013; the *Guidelines for*
22 *Compensation and Expense Reimbursement of Professional and Trustees*, promulgated pursuant to
23 Local Rule 9029-1, governing the narrative portion of fee applications, effective February 19, 2014;
24 and the revised Fee Examiner Protocol filed on October 24, 2019.

25 4. The compensation and expense reimbursement requested in this Fee Application are
26 billed at rates, in accordance with practices, no less favorable than those customarily employed by
27 Lincoln and generally accepted by Lincoln's clients.

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¹ Capitalized terms not defined have the meanings used in the Application.

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Date: August 26, 2020

LINCOLN PARTNERS ADVISORS LLC

BY: /s/ Brent C. Williams

Financial Advisor to the Official Committee of Tort
Claimants